

	OAH 15-2500-20464-2 PUC No. E-017, E-015 & ET-6/CN-07-1222
--	---

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE
PUBLIC UTILITIES COMMISSION

In the Matter of the Application of Ottertail Power Company, Minnesota Power, and Minnkota Power Cooperative for a Certificate of Need for a 230-kV Transmission Line and Associated System Connections from Bemidji to Grand Rapids, Minnesota	SUMMARY OF PUBLIC TESTIMONY
---	------------------------------------

Administrative Law Judge Beverly Jones Heydinger held public hearings in this matter at Hampton Inn and Suites, 1019 Paul Bunyan Drive South, Bemidji, MN, on May 20, 2009, at 3:00 p.m. and 7:00 p.m.; at American Legion Post 122/VFW 2720, 12 First Street NE, Deer River, MN, on May 21, 2009, at 3:00 p.m.; and at Palace Casino and Hotel, 16599 69th Avenue NW, Cass Lake, MN, on May 21, 2009, at 7:00 p.m. The hearings were held to take public comment regarding the need for a 230-kV transmission line and associated system connections, from Bemidji to Grand Rapids, Minnesota.

Appearances: Thomas Erik Bailey, Briggs and Morgan, PA, appeared on behalf of the Applicants, Ottertail Power Company, Minnesota Power and Minnkota Power Cooperative. Suzanne Lamb Steinhauer, Energy Facility Permitting Staff, appeared on behalf of the Department of Commerce, Office of Energy Security. Bret Eknes, Facilities Planner, Public Utilities Commission, was also present.

The Applicants are required to seek a Certificate of Need pursuant to Minn. Stat. § 216B.243. The Public Utilities Commission concluded in its Order Accepting Application as Complete, as Conditioned, and Authorizing Informal Review Process, issued July 22, 2008, that the application should be examined and acted upon through informal proceedings, and referred the case to the Office of Administrative Hearings to conduct public hearings and to file a written summary of the public hearings with the Commission.

Approximately 20 members of the public attended the public hearings. The record remained open for ten business days to allow all interested persons the opportunity to submit written comments. No members of the public filed a written comment. The record closed on June 2, 2009.

PROCEDURAL HISTORY

1. Minnesota's largest transmission-owning utilities conducted a study of Minnesota's long-term transmission needs. Its CapX2020 Vision Study concluded that a number of new high-voltage transmission lines would be required to accommodate the increasing demand for electricity within Minnesota and the upper Midwest, including a new 230-kV transmission line from Bemidji to Grand Rapids, Minnesota. To execute the Vision Study's recommendations, the participating utilities entered into Project Development Agreements for each of the recommended lines. Otter Tail Power was designated the Project Development Manager for the Bemidji-Grand Rapids Project (Project), Minnesota Power was designated to take the lead on routing of the Project, and, because of its significant load in the project area, Minnkota Power joined as the technical lead for the Project.¹

2. On March 17, 2008, the Applicants filed their application for a certificate of need for the Project with the Commission.²

3. The Project would include a 230-kV line from the Wilton Substation northwest of Bemidji to the Boswell Substation in Cohasset, northwest of Grand Rapids. The Project would require upgrades to the substations. Depending on the route selected, the Project may require expansion of the existing Cass Lake Substation or construction of a new substation in the Cass Lake area.³

4. The Commission issued an Order Accepting Application as Complete, as Conditioned, and Authorizing Informal Review Process, on July 22, 2008, directing the Office of Administrative Hearings to conduct one or more public hearings to take public testimony concerning the Application.

5. Notice of the Public Hearings was published in local newspapers:

The Bemidji Pioneer (Bemidji, MN) – May 5, 2009

The Blackduck American (Blackduck, MN) – May 10, 2009

Scenic Range News Forum (Bovey, MN) – May 7, 2009

Cass Lake Times (Cass Lake, MN) – May 7, 2009

¹ *Application for a certificate of need for 230-kV transmission line and associated system connections from Bemidji to Grand Rapids, Minnesota, March 17, 2008 (Application)*, at 1, 6.

² *Id.*

³ Application at 15; *Environmental Report: Bemidji to Grand Rapids 230 kV Transmission Project, April 30, 2009 (Environmental Report)*, at 3.

Grand Rapids Herald Review (Grand Rapids, MN) – May 6, 2009

Nevis Northwoods Press (Nevis, MN) – May 7, 2009

Park Rapids Enterprise (Park Rapids, MN) – May 6, 2009

Lake Country Echo (Pequot Lakes, MN) – May 7, 2009

Pine River Journal (Pine River, MN) – May 7, 2009

Pilot – Independent (Walker, MN) – May 6, 2009.⁴

6. The Administrative Law Judge convened each public hearing and explained that its purpose was to solicit public comments regarding the need for the proposed transmission project. At each hearing, the Applicants made a short presentation explaining the need for and general area to be served by the Project, and Ms. Steinhauer briefly explained the process for preparation of the Environmental Report.

SUMMARY OF PUBLIC TESTIMONY AND WRITTEN COMMENTS

1. Approximately 15 members of the public attended the afternoon hearing in Bemidji, and nine signed the hearing register. There were no comments directly addressing the need for the proposed transmission line. Ron Eischens asked a few questions about the timing of the proceeding, including the preparation of the environmental studies. Rick Ludke asked a question about whether the ability of the proposed transmission line could be affected by the length of the route selected. Jason Weirs, Otter Tail Power, responded that the length of the line can affect the line's efficiency. Bill Beck asked whether construction of a new line would affect the energy-saver "ripple control" on his baseboard heat. John Graves, Minnkota Power, responded that the "ripple control" is a feature that reduces the need for new generation and provides the customer with an economic advantage, which would not be affected by the construction of a new transmission line. Wendy Larson requested information about the steps in the process for review and approval of a certificate of need. Ms. Steinhauer, Mr. Eknes and others responded. Diane Plathe requested information about the selection of the study corridor used to develop the Environmental Report. Ms. Larson also had a question about the selection of the study corridors. Ms. Steinhauer responded, with additional information from Mr. Bailey.⁵

2. Approximately seven members of the public attended the evening hearing in Bemidji and seven signed the hearing register. There were no comments directly addressing the need for the proposed transmission line. Daniel Gartrell requested information about the source of the power that would use the transmission line, and its destination. David Van House, Minnesota Power, explained that the power would come from existing generation, and flow generally from the Grand Rapids area to the Bemidji

⁴ Affidavits of Publication for each newspaper were filed with the Commission on June 3, 2009.

⁵ Transcript of Hearing held May 20, 2009, at 3:00 p.m.

area, and provide supply to lower voltage lines in the area. Keith Pommerenime requested information about the type of transmission towers that were planned for the project and their suitability to higher voltage. Al Koeckeritz, Otter Tail Power, displayed a picture of the proposed structure that would serve the majority of the proposed transmission line. Mr. Koeckeritz also pointed out that if a higher voltage transmission line were planned in the future, it would require a new certificate of need.⁶

3. No members of the public attended the public hearing in Pine River.

4. Three members of the public attended the hearing in Cass Lake and signed the hearing register. Frank Zentek, a member of the board of Beltrami Electric Cooperative, spoke in favor of the certificate of need and asked for some price comparison of the northern and central study corridors. Mr. Van House and Ms Steinhauer responded that it is more expensive to follow the northern corridor, but during the routing proceeding, the costs will be weighed with several other factors, including environmental factors, in making a decision about the route. In this context, there was also a discussion of the concept of "line loss," and response to related questions posed by Diane Plathe.⁷

5. There were no written comments submitted to the Administrative Law Judge by the published deadline to submit written comments, June 2, 2009.

Dated: June 8, 2009

s/Beverly Jones Heydinger
BEVERLY JONES HEYDINGER
Administrative Law Judge

Reported: Janet Shaddix & Associates

NOTICE

This report contains a summary of public testimony. It is not a final decision. Pursuant to Minn. Stat. § 216B.243, the Commission will make the final determination of the matter following receipt of the record from the Administrative law Judge and the Office of Energy Security.

⁶ Transcript of Hearing held May 20, 2009, at 7:00 p.m.

⁷ Transcript of Hearing held May 21, 2009, at 7:00 p.m.